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Philippine Communist Insurgents Are Gaining, U.S. Officials Warn

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Special to The New York Times

WASHINGTON, Oct. 26 — The Communist insurgency in the Philippines has grown steadily larger and more violent, despite assertions by the Government of President Ferdinand E. Marcos that the situation is being contained, according to officials familiar with the most recent reports of American intelligence agencies.

The officials said that although President Marcos had taken some small steps toward introducing changes into the armed forces, the Philippine military remained severely hampered in its anti-insurgent efforts by hidebound leadership, cronyism and resentment among the populace of past brutality.

Administration officials said the worsening military balance was the main reason that senior officials decided to get President Reagan more involved in the long-running crisis.

A Message for Marcos

Last week, Mr. Reagan sent a close friend, Senator Paul Laxalt, Republican of Nevada, to Manila to impress upon Mr. Marcos that worry about the Philippine situation had moved from the ranks of diplomats and intelligence officers into the Oval Office.

Officials said the Director of Central Intelligence, William J. Casey, and the White House national security adviser, Robert C. McFarlane, had advocated the Laxalt mission after Mr. Marcos, his wife, Imelda, and other Philippine

officials had repeatedly spurned warnings from American diplomats about the growing violence and entreaties for military, political and economic changes.

Until the Laxalt trip, the officials said, Mr. Marcos appeared to believe that these warnings did not reflect Mr. Reagan's own feelings.

'The President Himself'

"What bubbled it up was the continued negative trends — the number of people under arms, the number of violent incidents," a senior Administration official said in an interview. "The President decided it was time to make sure President Marcos knew it was not just a few guys in Washington who had a problem with the Philippines, but the President himself."

An American official who has recently met with Mr. Marcos and his wife said, "There's a strong sense that they are somewhat divorced from reality."

Administration officials and members of Congress generally applauded the President's effort to deliver a firm

message to Mr. Marcos, but they expressed little hope that the mission would change Mr. Marcos's behavior.

'This Hasn't Worked Either'

"Fundamentally, they did it because previous steps hadn't worked," said Representative Stephen J. Solarz, Democrat of Brooklyn, who is chairman of the House Subcommittee on Asian and Pacific Affairs. Mr. Solarz, who has pressed the Administration to distance itself from Mr. Marcos, added, "I think it will soon become apparent that this hasn't worked either."

Administration officials familiar with Mr. Laxalt's meetings said the Philippine President had minimized the dangers of the insurgency and in general had dismissed the criticisms delivered by Mr. Laxalt as overstated and unfounded. The officials said Mr. Marcos insisted that although he had "a credibility problem" in the United States, his popular support at home was firm.

Administration officials said a 200-page report that Mr. Marcos gave Mr. Laxalt last week, reciting changes under way in the Philippine military and describing the status of the battle against the insurgent New People's Army, was merely a repackaging of an earlier Philippine Government white paper and was far more sanguine than American intelligence assessments.

For example, although President Marcos has estimated the number of armed insurgents at about 9,000, and Lieut. Gen. Fidel C. Ramos, the top military officer in the Philippines, said Friday that total had grown to 12,500, the Pentagon puts the number at 16,500.

Congressional sources familiar with intelligence reports estimated that as many as a million Filipinos are considered active supporters of the guerrillas, providing food, housing or other aid.

"It's fair to say that President Marcos views the situation more optimistically than we do," said Richard L. Armitage, Assistant Secretary of Defense for International Security Affairs, in an interview. He added that the number of guerrillas was less important than the fact that "the trend has continued bad."

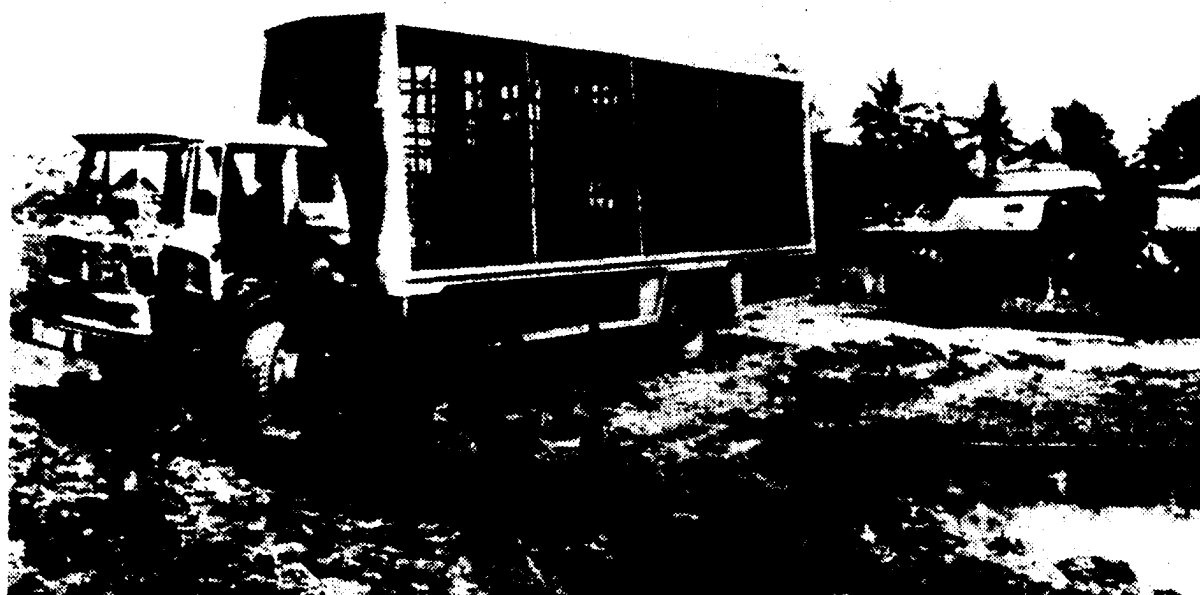
Official Is Slain

The increasing violence was highlighted Wednesday by the assassination of the provincial governor of Mindanao, the highest ranking official to die in the Philippines violence in many years. The New People's Army said it

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A Government armored vehicle near a beer truck burned by Communist guerrillas yesterday near Iloilo, the Philippines. The driver said the truck was burned after the company refused to give money to the guerrillas.

was responsible for the slaying.

Mr. Armitage said he had not changed his own assessment that if present military trends continue, the rebels will achieve a "strategic stalemate" in three to five years, meaning neither side would have enough advantage to win a decisive victory.

One official who has been briefed on the most recent intelligence information said that even that forecast is "optimistic, by a substantial amount" when the economic decline in the Philippines and public sentiment opposed to Mr. Marcos are considered.

Despite the ominous intelligence reports, Pentagon officials said this week that they envisioned no change in the Administration's strategy of coupling military aid to the Marcos Government with exhortations for open elections, sharing of military power and a breakup of the business monopolies that are blamed for the islands' economic trouble.

In a sign of the continued commitment, according to officials, American military officers in Manila had scheduled a sharp increase this year in the military training teams that rotate in and out of the Philippines to train Filipino soldiers in equipment maintenance, logistics and administration.

A Pentagon official noted that members of Congress have been wary of closer involvement with Mr. Marcos's Government, and he said the trainers would be closely confined to technical advice on American-supplied hardware.

"We are not looking for advisers in the field," the official said. "There is no contemplation of advisers in the

Vietnam sense."

The United States is committed by treaty to protect the Philippines from external attack, but is not obliged to help it cope with insurgency.

The Pentagon has already come under criticism from some members of Congress for planning to spend hundreds of millions of dollars over the next several years to upgrade aging installations and housing at the two American military bases on the Philippines. Navy and Air Force officials in the Philippines have requested \$1.3 billion in construction money over the next seven years, although Pentagon officials said only a fraction is likely to be approved.

Some Signs of Change

Pentagon officials who deal with the Philippine military said they were somewhat encouraged by recent signs of change, including an increase in authority for anti-insurgency field commanders, more disciplining of soldiers who abuse civilians and small raises for the underpaid troops.

They said American aid, which until a few years ago concentrated on equipment for combating foreign invaders, had been refocused to alleviate shortages of trucks, helicopters and radios that would be useful against guerrillas, and such essentials as uniforms and boots.

But the officials said about 35 of the 100 generals in the Philippine military were cronies of Mr. Marcos who had been kept on out of personal loyalty, preventing the promotion of younger officers and damaging morale. This, the officials said, is a major barrier to

improving the military.

The Philippines is considered a vital strategic outpost for supplying American military forces in the Pacific and Indian Oceans, guarding oil routes from the Persian Gulf and monitoring the growing Soviet military forces in the Pacific.

Subic Bay Naval Base and Clark Air Base are the largest American military centers of their kind outside United States territory, and the most important Western outposts between Hawaii and Japan.

According to Pentagon reports, these installations have taken on added importance in the last two years as a supply point for increased Navy patrols in the Indian Ocean, and because of an expansion of the Soviet Pacific Fleet based in Vladivostok and a major buildup of the Soviet port and airfield at Cam Ranh Bay in Vietnam.

The United States Pacific Command, based in Hawaii, has begun exploring the possibility of alternative sites 1,500 miles to the east on the islands of Guam and Tinian, in case the Philippine bases are cut off. Pentagon officials say such a move would mean a major setback for the United States military, and would cost from \$2 billion to \$8 billion.

'The Wrong Direction'

United States officials said the expansion of the New People's Army had taken place without any evidence of support from the Soviet Union or other foreign powers. Officials say that so far, the intensely nationalistic group has been determined to rely on arms captured from Philippine soldiers or bought on the black market.